

receiving entertainment content into a cache;
identifying insertion opportunities for advertising content in the entertainment content;
retrieving the entertainment content from the cache and directing it to a subscriber by way of a virtual conduit;
interrupting the entertainment content during identified insertion opportunities;
retrieving an advertisement from the content cache;
directing the advertisement by way of a virtual conduit to a subscriber in accordance with a delivery script so long as an advertising insertion opportunity persists; and
resuming the direction of entertainment content by way of a virtual conduit to the subscriber once the advertising insertion opportunity desists.

Please cancel Claims 40 (forty) through 78 (seventy-eight).

Please amend Claim 79 as follows:

79. (Amended) A targeted media server comprising:

cache for receiving advertising content;
broadcast entertainment receiver;
insertion indicator that determines when insertion of advertising content is permissible and asserts an insert signal when it is permissible to insert advertising content;
stream multiplexer that selects a content stream emanating from the broadcast entertainment receiver when the insert signal is not asserted and selects a content stream from the cache for advertising content when it is asserted; and
virtual conduit unit that creates a virtual conduit to a subscriber for carrying the content stream selected by the stream multiplexer.

Please cancel Claim 80 (eighty).

Please amend Claim 83 as follows:

83. (Amended) A targeted media server comprising:

- cache for receiving advertising content;
- cache for receiving entertainment content;
- insertion indicator that determines when insertion of advertising content is permissible and asserts an insert signal when it is permissible to insert advertising content;
- stream multiplexer that selects a content stream emanating from the cache for entertainment content when the insert signal is not asserted and selects a content stream from the cache for advertising content when it is asserted; and
- virtual conduit unit that creates a virtual conduit to a subscriber for carrying the content stream selected by the stream multiplexer.

Please cancel Claim 84 (eighty-four).

Please cancel Claims 91 (ninety-one) through 97 (ninety-seven).

Please add the following new claims:

98. (New) A target distribution server comprising:

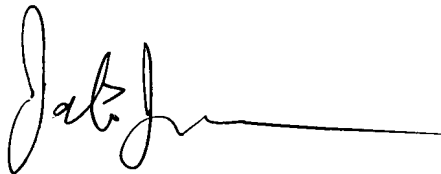
- receiver that receives entertainment content;
- entertainment content selector that selects entertainment content according to a programming request received from a subscriber;
- stream multiplexer that assembles said selected entertainment content into a content stream; and
- virtual conduit unit that forms a logical conduit leading from the target distribution server to the subscriber that conveys the content stream from the target distribution server to the subscriber.

99. (New) The apparatus of Claim 98 wherein the stream multiplexer further receives and injects broadcast advertising spots into the content stream wherein the entertainment content is received from a broadcast source.

100. (New) The apparatus of Claim 98 wherein the stream multiplexer further receives and injects directed advertising spots according to a demographic code corresponding to the subscriber into the content stream wherein the entertainment content is received from a broadcast source.

101. (New) The apparatus of Claim 98 wherein the stream multiplexer further receives and injects directed advertising spots according to a demographic code corresponding to the subscriber into the content stream wherein the entertainment content is received from an on-demand cache.

Respectfully Submitted,



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